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C O N F I D E N T I A L SECTION 01 OF 05 BEIJING 000178

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SUBJECT: THE DEPUTY SECRETARY'S DINNER WITH CHINESE
ACADEMICS: TAIWAN, IRAN, NORTH KOREA, RUSSIA

Classified By: Political Minister Counselor Aubrey Carlson,
Reasons 1.4 (b) and (d).

[1](#)1. (U) January 16, 2008; 7:45 p.m.; Beijing,
Ambassador's Residence.

[1](#)2. (U) Participants:

UNITED STATES
The Deputy Secretary
Mrs. Diana Negroponte
Ambassador Clark T. Randt, Jr.
Mrs. Sarah Randt
Dennis Wilder, Special Assistant to the President and
Senior Director for Asian Affairs, NSC
Dr. David Gordon, Director, Office of Policy Planning,
Department of State
James Shinn, Assistant Secretary of Defense for Asian
and Pacific Security Affairs Policy
Thomas Christensen, Deputy Assistant Secretary of
State for East Asia and Pacific Affairs
Col. Willard Buhl, Military Assistant to the Assistant
Secretary of Defense for Asian and Pacific Security

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Affairs Policy
Kaye Lee, Special Assistant to the Deputy Secretary
Ted Wittenstein, Special Assistant to the Deputy
Secretary

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CHINA
Cui Liru, President, China Institutes of Contemporary
International Relations (CICIR)
Wang Jisi, Dean, School of International Studies,
Beijing University
Gu Guoliang, Deputy Director, Institute of American
Studies, Chinese Academy of Social Sciences (CASS)
Chu Shulong, Vice Director, Institute of Strategic
Studies, Tsinghua University
Jin Canrong, Vice Dean, International Relations
Institute, People's University
Pan Zhenqiang, Maj. Gen. (ret.), Deputy Chairman,
China Foundation for International Studies

[1](#)3. (C) SUMMARY: At a January 16 dinner with the
Deputy Secretary, Chinese international relations
scholars said China's government remains apprehensive
about Taiwan despite the Kuomintang's (KMT) victory in
the January 12 Legislative Yuan elections. Some
scholars said the KMT victory is good news for Beijing
because it reduces Taiwan President Chen Shui-bian's
ability to promote his pro-independence agenda and
thus stabilizes cross-Strait relations. Others,

however, noted that China is still worried that the political momentum may shift back to the Democratic Progressive Party (DPP) in time for Taiwan's March 22 presidential vote. The Deputy Secretary explained that the USG has no preference between the KMT and DPP, the United States opposes any unilateral change to the status quo, and China would be wise to open dialogue with all political forces in Taiwan. Academics encouraged the United States to open direct talks with Iran and move forward on removing the DPRK from the list of state sponsors of terrorism. The Deputy Secretary stressed that North Korea must provide a complete declaration and address U.S. concerns regarding uranium enrichment and proliferation. The scholars and the Deputy Secretary also exchanged views on Pakistan, Russia and the 2008 U.S. presidential election. End summary.

Despite KMT Win, Beijing Still Nervous about Taiwan

14. (C) The Deputy Secretary started the dinner by asking each guest to give his reaction to Taiwan's January 12 Legislative Yuan (LY) election. Jin Canrong, Vice Dean of the International Relations Institute at People's University, said Beijing authorities are pleased with the results of the election, but they are still "nervous" about the March presidential election. Whereas Beijing's policy used to give equal emphasis to opposing Taiwan independence and achieving reunification, Jin argued, now the Mainland is simply trying to prevent independence. General Secretary Hu Jintao's report to the 17th Party Congress was very conciliatory. In the report, Jin remarked, Hu emphasized "peace" rather than "reunification" as the main theme of cross-Straits relations. Taiwan, Jin said, does not fully appreciate this change. Gu Guoliang, Deputy Director

BEIJING 00000178 002 OF 005

of the Institute of American Studies at the Chinese Academy of Social Sciences (CASS), said he is more optimistic about cross-Straits relations after the Kuomintang's (KMT) overwhelming victory. The Democratic Progressive Party (DPP) "cannot do more harm," Gu asserted, because pan-Blue legislators, with a three-fourths majority in the new LY, will be able to restrain Chen Shui-bian. Even if DPP candidate Frank Hsieh wins the presidential election, Hsieh and the DPP would be unable to change Taiwan's constitution, Gu said. China Institutes of Contemporary International Relations (CICIR) President Cui Liru agreed, saying the KMT's strong majority will help "stabilize" the cross-Straits situation.

15. (C) Other participants, however, cautioned that the election results do not demonstrate a fundamental shift in Taiwan politics. Wang Jisi, Dean of Beijing University's School of International Studies, said that there is no great joy on the Mainland over the KMT win. Wang noted that the KMT, despite claiming a large majority of LY seats, only won 54 percent of the popular vote. The DPP can still win back the momentum in time for the presidential election, Wang warned. Chu Shulong, Vice Director of the Tsinghua University's Institute of Strategic Studies, likewise said the results do not necessarily reflect a rejection of the DPP's pro-independence line. Rather, the results show public dissatisfaction with Chen Shui-bian and the scandals surrounding Chen's family. The DPP's Frank Hsieh, Chu asserted, still has a chance to win the election, "so Beijing is not relaxed." China Foundation for International Studies Vice Chairman Pan Zhenqiang said the implementation of single-member districts in Taiwan was the main reason the KMT did so well. Mainland leaders, Pan added,

cannot celebrate the KMT victory because Beijing now worries that Taiwan voters will be inclined to elect a DPP president to avoid having one party dominate the entire government.

U.S. Can Play "Stabilizing Role" in Strait

¶6. (C) Chu praised U.S. statements against Chen Shui-bian's proposed referendum on applying for United Nations membership. Chu said speeches by the Deputy Secretary and EAP Deputy Assistant Secretary Thomas

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Christensen had been particularly helpful because moderate voters in Taiwan "still care what the United States thinks." Wang Jisi, however, said China's government is worried that the United States will now shift its policy to favor the DPP. The United States does not want the KMT to move Taiwan too close to the Mainland, Wang postulated, so the United States might tilt toward the DPP and reduce its pressure on Chen Shui-bian. The Deputy Secretary responded that the USG has no preference between the KMT and DPP, and it would be a "mistake to pick sides or show favoritism." U.S. policy is to oppose unilateral change to the status quo. China, too, the Deputy Secretary added, should be willing to work with all sides on Taiwan, not just the KMT. Once the Taiwan presidential election is over, he said, China should make efforts to restart cross-Strait dialogue.

Chen Shui-bian "May Take Desperate Measures"

¶7. (C) Several of the Chinese participants warned of the risk that Chen Shui-bian might take undefined "drastic measures" to maintain power. Jin Canrong said Mainland Chinese people still doubt the quality of Taiwan's democracy. Daily life in Taiwan is "polluted" by ideological differences, Jin said, and the Mainland is concerned that Taiwan's democratization is creating instability. Cui Liru said the risk Chen "will do stupid things" has increased following the dramatic KMT win. The KMT now has enough votes in the legislature to impeach Chen Shui-bian, Cui observed, and the prospect of impeachment may prompt Chen to take extreme measures. Some of the scholars added that the United States still must restrain Chen. Pan stressed that too many people on Taiwan believe the United States will come to the island's rescue if a crisis breaks out. The United States wants to show its commitment to Taiwan's defense, Pan said, but this sends "mixed signals" to Taiwan's leaders.

BEIJING 00000178 003 OF 005

Iran

¶8. (C) In response to the scholars' questions regarding U.S. foreign policy priorities, the Deputy Secretary offered an overview of the President's

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agenda for the final year of his administration. President Bush believes a window of opportunity exists both in the Six-Party talks and in the Middle East peace process. The United States, the Deputy Secretary said, also seeks to limit the effects of

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Iran's negative behavior, including Tehran's support for extremist groups in Iraq. Policy Planning Director David Gordon added that the international

community must give a sustained message to Iran that it must fulfill its commitments to give up its nuclear program. Iran responds to economic pressure, S/P Gordon stressed, so the United States is promoting financial tightening while at the same time holding out the prospect that Iran, should it change course, could join the international community.

¶9. (C) Pan asked whether Iranian fast boats had really confronted U.S. Navy ships recently in the Persian Gulf. Pan cited news reports that a supposed threatening radio message to American vessels came, not from the Iranians, but from a well-known radio heckler who for years has taunted ships over maritime frequencies. S/P Gordon responded that, regardless of the source of the radio transmission, the actions of the Iranian fast boats, as depicted in the Pentagon video, were extremely provocative and the incident shows Iran is trying to push the envelope with the United States. The Deputy Secretary added that the U.S. ships showed restraint and simply turned away when faced with Iran's provocation.

¶10. (C) Moving beyond the fast boat incident, Pan questioned the United States' "refusal" to engage in direct talks with Iran on the nuclear issue. This reluctance to negotiate directly, Pan said, reminded him of the United States' previous approach to North Korea. "Iran does not want to talk to the Europeans," he said, "they want to talk to you." The United States and Iran, the Deputy Secretary responded, have several channels for communicating. The United States is closely plugged into the EU's dialogue with Tehran, and U.S. officials have already engaged Iran directly on the issue of Iraq. The Iranian regime, the Deputy Secretary said, wants direct diplomatic talks as a way

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to boost its own legitimacy. Direct contact, however, would not necessarily change Iran's policy of supporting extremists such as Hamas and radical Shia in Iraq.

North Korea

¶11. (C) The Deputy Secretary explained that, while the disabling of the Yongbyon nuclear facility is a positive sign, North Korea needs to make a full and complete declaration of its nuclear activities. An acceptable declaration by Pyongyang could lead to more progress on denuclearization in 2008 and, eventually, a peace settlement on the Korean Peninsula. Cui asked if it is possible for the United States to "take the first step" by removing the DPRK from the state sponsors of terrorism list. While uranium enrichment and the DPRK's proliferation remain "delicate issues," Cui offered, getting North Korea to give up its nuclear capability in the future is more important than focusing on its past behavior. Chu Shulong, of Tsinghua University, commented that while China shares

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the United States' goal of total denuclearization of the Korean peninsula, China believes all parties must make constant "small steps" in order to maintain momentum. North Korea believes it has done its part by allowing the disablement of Yongbyon to proceed. What, Chu asked, has the United States done to move the process forward? In response, NSC Senior Director Dennis Wilder noted that the United States has already carried out a delivery of heavy fuel oil and is preparing to make another. North Korea's declaration obligations are very clear, Wilder said, and the USG will not "look the other way" on uranium enrichment and the DPRK's proliferation activities.

Pakistan: "We Need to Support Musharraf"

¶12. (C) Cui Liru stressed that China and the United States have no choice but to support Pakistan President Pervez Musharraf's efforts to stabilize his country. Pan said the United States needs to adopt a "more sophisticated approach" to Pakistan. The United States has a right to pursue its anti-terrorism goals, but U.S. policy is contributing to a rise in anti-American sentiment, Pan said. U.S. policy toward India, he told the Deputy Secretary, is also having a negative effect on Pakistan. The United States and China, Pan concluded, have shared interests in Pakistan and should do more to coordinate policies. The Deputy Secretary offered that the United States and China should discuss ways to help improve Pakistan's economy since the lack of development is an important contributor to extremism.

Russia and "U.S. Decline"

¶13. (C) Jin Canrong asked the Deputy Secretary for an assessment of U.S. ties with Russia, noting that Kosovo's pursuit of independence will likely increase the "split" between Washington and Moscow. The Deputy Secretary explained that the United States is doing

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the best it can to manage relations with Russia. Although there are points of friction, the Deputy Secretary noted, in several areas such as

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nonproliferation and counterterrorism Russia and the United States share common interests. Wang Jisi asked whether the United States is concerned that China and Russia are coordinating "at the expense of the United States and the West." S/P Director Gordon answered that while Moscow has attempted to move the Shanghai Cooperation Organization in an anti-U.S. direction, Beijing has resisted because China recognizes the importance of its relations with the United States.

¶14. (C) Wang Jisi commented that many Chinese analysts are seeing a shift in the balance of power. Not only is China growing more confident, but other new power centers such as Russia, India and Brazil are emerging. The effect, Wang argued, is that U.S. global influence has declined "a little bit." S/P Director Gordon countered that U.S. dominance actually peaked in the immediate aftermath of World War II. Although the United States' relative power has been in decline since then, S/P Gordon explained, the emergence of new powers is not a bad thing. The United States wants to accommodate rising powers because the world needs more "competent states" that can work together to solve global problems.

2008 U.S. Presidential Election

¶15. (C) Chinese attendees were eager to hear about the U.S. presidential race and the possible impact on U.S.-China bilateral relations. Pan asked the Deputy Secretary who among the many candidates "will be nice

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to China." S/P Gordon remarked that while many presidential candidates are often critical of China, once elected they tend to seek stable relations. The Deputy Secretary commented that the 2008 election will focus on the U.S. economy, meaning candidates will discuss China as an economic issue, but this

discussion could easily spill into criticism of our overall engagement policy. Careful management of the U.S.-China economic relationship, the Deputy Secretary asserted, is thus important. Beyond economics and trade, the Deputy Secretary said, both sides should continue to broaden the relationship by, among other things, increasing people-to-people exchanges. The Deputy Secretary praised China's programs to promote Chinese language study in the United States.

Academics Have Influence Over Chinese Policy

¶16. (C) The scholars told the Deputy Secretary that China's leadership continues to draw heavily on academics for foreign policy advice and analysis. Cui, of CICIR, said his organization has "channels" for conveying its analysis to high-level leaders. (Note: CICIR is affiliated with China's Ministry of State Security.) Tsinghua's Chu Shulong said half-jokingly that "Chinese officials read more than U.S.

BEIJING 00000178 005 OF 005

leaders." Because most Chinese universities are state-run institutions, Chu added, academics still have a recognized role in policy formulation. Pan asserted that Communist Party officials have, in the last two years, started to pay more attention to scholars. Pan noted that the Communist Party is, with increasing frequency, inviting scholars to give lectures on specific topics to top leaders.

¶17. (U) The Deputy Secretary's delegation cleared this message.
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